KING COUNTY

IT BUDGET ADVISORY

FOR 2011 BUDGET YEAR

MARCH 2010

Contents

Preface

March 10, 2010

King County again faces a budget deficit in 2011. Last year, the IT Budget Advisory identified for all County agencies potential savings opportunities to reduce 2010 expenditures by $2.7 million. By the end of the 2010 Budget, agency responses had increased the savings amounts to $3.0 million. This year's IT Budget Advisory Report focuses not only on savings opportunities that can reduce the near-term 2011 budget deficit issues, but also on the potential cost savings and service efficiencies to follow the long-term Strategic Technology Plan 2009-2012. The IT Reorganization Program has demonstrated, based on actions through the end of 2009, that long-term savings can be achieved, producing aggregate savings through 2013 of $15.3 million. This should be considered a start and not an end. To facilitate a discussion of both focus areas, the report is separated into near-term and long-term savings discussions.

Standardization of business practices and equipment will be discussed frequently in this report because it is the key to improving and reducing the cost of IT services. Standardizing practices can be for either purely economic reasons, for purely computing reasons, or for a combination of the two. I am also asking agencies to think and look beyond their own budget boundaries and consider efforts resulting in positive impacts to King County overall. An example would be the elimination of the duplication of efforts being performed by other systems in your department or other County departments. Departments could investigate partnering with others having existing systems to determine if cost sharing is a lower alternative to maintaining stand-alone systems, benefiting both departments. Another example would be fully utilizing the Sabey Data Center, which is for the benefit and good of the entire King County.

The following are some of the proposed activities to achieve cost reduction and budget efficiencies in 2011:

- Leverage and use IT master contracts for volume discount (for example, utilize County's wireless cell phone service plans to mitigate higher cost of wireless by consolidating services to obtain volume discount).

- Evaluate business processes and leverage the use of current IT resources to minimize the duplication of effort within departments and between departments.

- Continue to follow standard Personal Computing Device (PCD) replacement cycle of six years.

- Adopt standardization of desktop to basic computer.

- Adopt standardization to six-year replacement cycles for servers.

- Encourage equipment reduction through virtualization & consolidation of servers.

- Adopt standardization to one help desk.

- Ensure new 2011 capital projects meet mandatory requirements.

- Project benefits should be greater than investment cost.

The discussion of each of these topics includes options for agency's consideration to meet the budget reduction requirement. Agency's proposed actions for meeting these directions should be identified in the budget package. As discussed earlier, this report also provides advice on meeting the long-term overall goals of the Strategic Technology Plan 2009-2012, which is a road map to move King County to a higher IT maturity level. Making the IT function less costly and more efficient requires looking at all elements of providing IT services, including business practices, business processes, staff, and equipment. In addition to financial savings, the plan also focuses on improving customer service both internal and external to the County. Strategic objectives in the Strategic Technology Plan must be validated for goal congruency with the King County Strategic Plan that was created at a later date.

I want to support you as you validate the direction and advice provided in this year's IT Budget Advisory and I look forward to working together as we find creative ways to reduce the budget deficit. Please let me know how I can be of further assistance to you. For questions concerning this advisory report, please call my office at 263-8005.

David Martinez
County Chief Information Officer

Section 1: CIO Budget Advisory Background

The 2011 CIO Budget Advisory is the third year a budget advisory has been produced. This advisory differs from prior years in that it not only identifies potential savings for calendar year 2011, but it also discusses the long-term goals for the IT function. While the advisories have been near-term in nature, focusing primarily on the next budget year, many of the concepts and ideas are the accumulation of several years of effort and have often been part of a long-term strategy to achieve permanent savings and efficiencies in providing IT services to the agencies and citizens of King County. The Strategic Technology Plan 2009-2012 and IT Maturity Plan outline this long-term goal for the IT function. As the Executive Branch shifts thinking from the short-term to the long-term, each agency will need to decide where it should best, on an annual basis, spend its limited resources. There are often trade-offs to decisions. A simple example would be centralized versus decentralized services. In the current computing environment, there are often duplicate services of similar activities in different places throughout multiple departments. Whether correct or not, one side may perceive the decentralized approach as providing better customer service while the other side may perceive the duplication as more costly. Perceptions aside, with limited resources county-wide, the bottom-line is to provide the best possible services at the lowest possible cost county-wide.

King County is not unique as an organization in trying to control and reduce IT business expenses. Most of the reduction items suggested in the prior two advisories, as well as in this advisory, are being echoed in most organizations across the United States as organizations respond to the economic downturn. In 2009, Info-Tech Research Group surveyed organizations with the following resulting percents of where organizations were focusing cost containment efforts:

Survey of Cost Containment Efforts

IT Service Area	Percent Focusing Cost Management Efforts	Notes
Discretionary Spending	76%	Travel, training, supplies, etc.
Servers & Storage	74%	Freezing capital expenditures – extending hardware life
Networks Telephone	70%	Freezing capital expenditures – extending hardware life
Workstations & Peripherals	66%	Freezing capital expenditures – extending hardware life – reuse old equipment
IT Workforce	62%	
Application Maintenance	62%	Postpone non-essential

IT Service Area	Percent Focusing Cost Management Efforts	Notes
		maintenance
Application Development	58%	Postpone non-essential development
Disaster Recovery	55%	
End-User Supports	50%	

The Executive Branch has been focusing on containment and reductions in all the areas presented on this table and will continue to do so in the future.

The results from the 2010 Budget Advisory at the conclusion of last year's budget process shows progress is being made. The Advisory originally produced in April of 2009 identified $2.7 million in potential savings. Throughout the 2010 Budget process, departments worked hard to deliver savings in their individual requests. After a final review of the submitted equipment replacement requests for the 2010 Budget from the departments and an updating of other expense savings in September 2009, the savings amount had climbed to $3.0 million. In Appendix C of this report is a detail listing of the individual savings amounts. Many of these savings will continue into 2011 and many of the processes setup to review these expenses will remain in place. Equipment Replacement Plans will continue to be one of the key elements in reviewing planned IT expenditures.

To support this equipment replacement strategy, as part of the 2010 Budget process, King County Council adopted **Ordinance 16699**. The ordinance states, "Money may not be used for the replacement of desktop computers in 2010 unless the computers are broken, are impairing productivity and business operations, or are needed to meet the accountable business transformation project requirements." All requests in calendar year 2010 for desktop computer replacements need to be accompanied by supporting documentation that meets the requirements of this ordinance. The IT Budget Advisory for 2011 recommends the continuation of this practice. Further continuation in the out-years will be revisited during development of the 2012 budget.

Section 2: CIO Direction 2011 Business Practices

1. **Master Contracts –** In 2008 and 2009, significant efforts were made to convert existing annual IT contracts to multi-year contracts, taking advantage of multi-year pricing and volume discounts offered by vendors and re-bidding contracts for more competitive pricing. Conservatively, it is estimated that the new master contracts will produce annual savings in excess of $1 million. These savings are produced only if departments use master contracts. Departments need to align their business practices to determine if an item or service is

offered on a master contract to maximize the savings potential before using an alternate contract.

One area of specific contract effort was cell phone calling plans, which is estimated to produce savings of $376,000. If departments are not using these master calling plan contracts, they may not obtain the best pricing option. Departments should have as a business policy to always use the master calling plans as their first alternative.

2. **Leverage Resources –** Departments should conduct periodic evaluation of their business processes and leverage the use of current IT resources to minimize any duplication of effort and resources. This includes effort in acquiring commercial off-the-shelve (COTS) products where similar product may already being utilized by others in the County. Using or sharing same COTS products will minimize the variety, quantity, and maintenance required within departments and between departments. Also, consider if a system or work effort is a duplication of functions already being performed by other systems in your department or in other County departments. Departments should investigate partnering with others having existing system to determine if cost sharing is a lower alternative to maintaining stand-alone systems or efforts.

Section 3: Near-term CIO Direction 2011 Cost Reductions

1. **Standardizing Personal Computing Device (PCD) –** King County has a large number of desktops, laptops, notebooks, net books, and electronic tablets which are collectively known as personal computing devices (PCDs). King County's annual PCD expenses can be reduced by extending the life of the devices or by reducing the average base cost of the devices being purchased. The 2011 Budget Advisory directs departments to do both. It is the overall goal of King County to provide individual computing devices to its employees in the most cost effective and efficient manner. No PCD should be replaced in 2011 unless it is broken or no longer able to serve the business needs.

   PCD Six-Year Replacement Cycle – In last year's budget advisory followed by council ordinance, departments were directed to defer replacing new desktop computers in 2010 unless they broke or met certain conditions. Since 2008, departments have effectively moved from annual replacement cycles of four years, to aggregate average planned replacements greater than six years in the 2010 submitted Budget Equipment Replacement Plans (ERP) during the budget process. Departments should continue managing their desktop inventories to an average six-year replacement life as an ongoing business standard and expand it to all PCDs for budget planning purposes. When actual equipment is replaced in 2011, it will need to be either broken or impairing productivity or business operations.

   King County has over 10,000 PCDs throughout the organization, with the cost to replace ranging from $800 to $2,000. The estimated equipment replacement cost for 2011, based on historical practices of a four or five-year replacement cycle, would be $3.5 million and $2.8 million. Shifting to a permanent six-year cycle reduces annualized cost by $417,000 compared to a five-year cycle. During the annual budget process, submitted ERPs will be reviewed by the CIO Office and OMB to see if they meet the average six-year replacement

standard. The new IT asset inventory system going live in 2010 should help simplify and standardize the creation of each department's ERP and allow individual departments the ability to monitor and manage their PCD equipment on an ongoing basis.

Basic Desktop Device – In 2009, an Executive Branch task force was created to identify alternative desktop solutions that would result in cost savings over the existing cost of hardware. The task force determined that a basic computer could handle the computing needs of the majority of King County employees. The cost of this device, including tax and monitor is less than $800. Executive departments are to standardize on this device unless the computing needs of an individual staff member cannot be met with this device. The goal is to put the right desktop device in front of the right user. There are three levels of computing needs for all King County staff:

- **Standard User** - uses one or more Microsoft desktop applications such as Office, Outlook, Visio, Project, Internet Explorer (IE), and web-based applications that require only IE to function. All users in this category should be using a basic computer.

- **Business Application User** - uses one or more custom and/or vendor business applications, in addition to Microsoft desktop applications and web-based applications. User in this category should use a basic computer, if it has been certified that their business application runs successfully on the basic computer. If applications do not run successfully, the user should use a power computer.

- **Power User** - uses engineering, scientific, statistical, data analysis-intensive, graphics intensive application, Adobe Creative Suite, and/or GIS analytical applications, and/or has specialized peripherals required to run a business application. All users in this category are candidates for a power computer.

The basic desktop device is the standard for all basic users in the future. Assuming that 80% of annual new purchases use this basic desktop device and only 20% are power users that need higher price desktops, compared to the historical average costs, there will be an annual savings of $600,000 per year.

Surplus PCDs – Departments can reduce equipment costs by using surplus equipment. With the implementation of the IT asset inventory system in 2010, access to a common database of surplus IT equipment should be available to all departments. Depending on the computing needs of particular departments, surplus equipment may be a viable option.

2. **Standardizing Servers –** King County server expenses can be reduced by extending the life of the server or reducing the number of required servers. The 2011 Budget Advisory directs departments to do both to support the overall goal of King County to provide computing services in the most cost effective and efficient manner.

Six-Year Replacement Cycle – In last year's budget advisory, departments were directed to defer replacing servers in 2010. In meeting this directive, Executive departments submitted 2010 budget ERPs for servers with aggregate average replacement lives of over six years

compared to a four year cycle in 2008. Executive departments need to continue managing their server inventories to an average six-year replacement life as an ongoing business standard for planning purposes. Exceptions will be given for servers that are failing or servers that functionally impair a department's ability to efficiently perform services.

The Executive departments at the start of 2009 had over 728 servers spread throughout the organization with the cost of replacement ranging from $3,500 to $20,000. Executive departments are on an aggressive schedule to virtualize and consolidate servers and expect to have the total number reduced to 471 physical servers by the start of 2011. Shifting the remaining servers to a permanent six-year replacement cycle reduces annualized cost by over $185,000. The new IT asset inventory system being implemented in 2010 should simplify the creation of the ERPs and allow individual departments the ability to monitor and manage their server equipment on an ongoing basis.

Consolidation and Virtualization – As stated earlier, all of the Executive departments have been aggressively trying to reduce the number of physical servers. The net planned reduction of severs for 2009 and 2010 are 128 and 129, respectively, which exceeds the 83 per year assumed in last year's advisory. The estimated net savings of this action for 2011 is $0.5 million. This amount is based on the differences in capital costs of still having the servers versus moving to consolidated servers or to virtual servers. While labor efficiencies will be gained by each department, labor costs are not included in the forecasted reductions. Equipment replacement plans should identify servers that will be consolidated or virtualized in 2010 or 2011 so that savings are captured.

Surplus – An additional way that departments could reduce equipment costs is by using surplus servers. With the implementation of the IT asset inventory system in 2010, access to a common database of surplus servers should be available to all Executive departments.

3. **New Capital Projects –** With limited funds in 2011, Executive departments are directed to only move forward new requests for technology projects in the 2011 budget process that are:

    - Required by regulation or legal settlement; or
    - Essential to the success of critical business functions; or
    - Revenue supported (grant or self generation) with no or minimal on-going cost to the County; or
    - Revenue enhancing to the department or the County with revenue supported on-going expenditures; or
    - Benefits from a project should always outweigh the investment costs from the project.

    Projects need to support and align with King County's IT strategic plan and/or support the King County Strategic Plan, have a compelling IT business case, and have specific, identified benefit when submitted to OMB in the 2011 Budget. Projects will be reviewed by the CIO and OMB for approval in the budget process.

4. **Standardizing Help Desk Executive-wide –** Historically, the Executive departments have had one or more individual help desks. In 2010, a single help-desk tool is being implemented

for all Executive departments. Standardizing to a single help desk removes duplicative costs associated with maintaining multiple systems and lays a foundation for standardizing business practices and procedures, and improving overall customer service throughout the Executive organization. These changes have the potential of producing both short-term and long-term labor efficiencies which should be evaluated by each Executive department. Labor efficiencies should be repurposed by each department to other areas of critical need.

5. **Maximize Sabey Data Center Investment –** The County has significantly invested in the Sabey Data Center for county-wide utilization. This data center location was selected after it was determined on a rental square foot basis it was 18% lower than alternative site locations. The Sabey Data Center addresses several risk management goals that were set out in the Strategic Technology Plan 2009-2012. The Sabey Data Center, a Tier 3 facility, is a concurrently maintainable site infrastructure guaranteeing 99.982% availability. Data centers are rated from 1 to 4 with 4 being the highest rating. Because the site has multiple distribution paths with only one active at a time, planned equipment maintenance activities do not cause disruption to service with a small probability of disruption for unplanned events (estimated annual downtime for this type of facility is 1.6 hours). County servers housed in different locations throughout the county do not have similar levels of protection. There is greater risk of server loss and business interruption in current locations outside the data center. Moving equipment to the data center provides departments the ability to lower the risk of business interruptions, resulting in cost avoidance savings by:

   - Meeting current security standards.
   - Having redundant power and cooling.
   - Providing sufficient network connectivity.
   - Meeting building earthquake standards.
   - Using staff resources more efficiently.

   In 2011, agencies must plan and start the process of moving all IT equipment remaining in County data closets, server rooms, and individual data centers to the new County primary data center and then possibly repurpose the space currently used for these data centers.

6. **Other Practical Savings Ideas –** Included in Appendix B is an additional list of ideas for reducing IT expenditures. These ideas should be considered in formulation of department 2011 Budgets. Use of these ideas should be identified in the budget submittal package.

Section 4: Long Term Cost Reductions

1.   Performance to Date – Executive Branch IT Reorganization

IT Reorganization Program activities to date (2006-2009) have resulted in real and significant costs savings for the Executive Branch. As illustrated in the following table, savings-to-date surpasses the 2006 business case projections. Through 2009, the County's $1.8 million investment in IT reorganization has resulted in approximately $3.4 million in savings, with ongoing annual savings estimated at $3 million. The savings to 2009 include the reduction of 15 FTE IT positions in KCIT Central and other executive departments (3 FTEs in 2007, 3 FTEs in 2008, and 9 FTEs in 2009), which achieves the FTE reduction target established in the business case. Additional ongoing savings are being derived from enterprise and multi-year contracting for hardware/software, server consolidation/virtualization, and workstation standardization. The IT Reorganization Program was the first step in taking King County from the lowest level of IT maturity to the next level of maturity. The following table provides an estimate of savings produced by the IT Reorganization Program based on activities completed by the end of 2009.

IT Reorganization Executive Branch Savings Summary Through 2009

	LTD 2009	2010	2011	2012	2013	Summary Total
Expenditures (Through 2009 Adopted Budget)	$ (1,847,860)					$ (1,847,860)
Savings						
Organization Transition (Labor Savings)	$ 2,072,082	$ 1,530,000	$ 1,560,600	$ 1,591,812	$ 1,623,648	$ 8,378,143
Service Center Efficiencies	$ 29,500	$ -	$ -	$ -	$ -	$ 29,500
Server Consolidation	$ 168,901	$ 118,901	$ 118,901	$ 118,901	$ 118,901	$ 644,505
Service Delivery Improvements						
Multi-year Contracting	$ 513,082	$ 595,820	$ 644,018	$ 687,533	$ 687,533	$ 3,127,986
Telecommunications	$ 376,180	$ 376,180	$ 376,180	$ 376,180	$ 376,180	$ 1,880,900
Total Service Delivery Improvements	$ 889,262	$ 972,000	$ 1,020,198	$ 1,063,713	$ 1,063,713	$ 5,008,886
Workstation Standardization						
PC Standardization - Annual Power Savings	$ 90,666	$ 148,748	$ 148,748	$ 148,748	$ 148,748	$ 685,659
Alternate Workstation - Reduced Device Cost	$ 147,263	$ 45,529	$ 45,529	$ 45,529	$ 45,529	$ 329,379
Total Workstation Standardization	$ 237,929	$ 194,277	$ 194,277	$ 194,277	$ 194,277	$ 1,015,039
Total Savings On Activities Through 12/31/09	**$ 3,397,674**	**$ 2,815,178**	**$ 2,893,976**	**$ 2,968,703**	**$ 3,000,540**	**$ 15,076,072**
Cumulative Net Benefit	**$ 1,549,814**	**$ 4,364,993**	**$ 7,258,969**	**$ 10,227,673**	**$ 13,228,212**	

As the Executive Branch continues moving along the spectrum of IT maturity by aligning activities with the IT Strategic Technology Plan 2009-2012, more savings will be realized in the out-years. Agencies are expected to examine their strategic directions and activities to ensure support of this Executive-wide strategic plan.

2. IT Maturity – IT operational maturity is the level by which an IT function in an organization is compared to IT functions in other organizations. There are four levels of infrastructure maturity and capability, starting from the bottom to top:

- Basic
- Standardized
- Rationalized
- Dynamic

Based on a Microsoft's Infrastructure Optimization Model Review performed in April 2008, King County is at the standardized level in several areas, but overall, was at the basic level, which is common for most government organizations.

Studies specific to King County performed in 2008 indicate that $1.5 million to $2.5 million could be saved annually by moving King County from its current maturity level to the standardized level. The Executive agencies started down the path of reaching the next level of IT maturity with the start of the IT Reorganization Program. This program will end in 2010 with many accomplishments, including reorganization of IT staff and the establishment of one help desk for all the Executive agencies. Efforts of the IT Reorganization Program have moved the County to the standardized level (level 2) of capability and maturity.

In August of 2009, King County Council, through motion, directed the Executive Branch to prepare a plan to move King County the rest of the way to level two (standardized) of information technology operational maturity. A plan was submitted to Council which identified the following activities - these have been addressed through the IT Reorganization program and on-going operational improvements:

- Development of standards, policies, and procedures for:
  - Acquisition
  - Configuration
  - Deployment
  - Management
  - Reporting

- Using technology to manage repetitive tasks, such as:
  - Desktop, device, and server deployments
  - Configuration management
  - Maintenance

- Using technology to improve service delivery, such as:
  - Reliability of critical services such as e-mail (load balancing and clustering)
  - Rapid resolution of problems by the help desk (remote diagnostics capability)
  - Rapid deployment and/or updates to client applications

3. Strategic Technology Plan 2009-2012 – The Strategic Technology Plan 2009-2012 focuses on King County reaching the next level of IT maturity, as well as other long-term IT goals of King County. There will be an effort to align this plan to the County Strategic Plan which was issued at a later date. The plan recognizes and discusses IT's role in helping the County's business operations to transform their common business practices to adapt to its customers' needs. As the business changes, the technology organizations that support the business must also change. The Strategic 2009–2012 Technology Plan is the multiple-year look at the direction IT is going and directly ties to the annual planning document. The following are the four main goals with associated strategies of this multiple-year plan:

- Efficiency – Strategies
    - Support Transformation of Common Business Practices
    - Extend and Enhance Mobility Solutions in the Workplace
    - Improve IT Operational Maturity
    - Identify and Implement Policies that Improve the Overall Value to the County from Shared IT Services

- Customer Service & Public Access – Strategies
    - Social Networking
    - Elevate Customer Service as an IT Operational Priority

- Transparency & Accountability – Strategies
    - Reorganize IT People, Processes, and Platforms
    - Provide Timely, Accurate and Appropriate Information

- Risk Management – Strategies
    - Infrastructure Preservation and Stewardship
    - Increase Employee Understanding and Impact on Security and Privacy Issues
    - Green IT

Many of the strategies are already underway and showing results.

As outlined above, a major goal of the Strategic Technology Plan 2009-2012 is to improve customer service and public access while reducing costs by achieving the next level of IT maturity. Past strategic plans have focused more on how IT can improve its service delivery from a technical standpoint; this strategy acknowledges that how services are delivered is just as important. Better defining our customer relationships, expectations, obligations, and commitments will better allow our customers to engage in decision-making related to our services. Departments in the 2011 budget process should reflect the move toward this strategic goal.

Transparency and accountability require that information is available for those who need it. King County has continued to collect more and more information through increased electronic business processes each year. Unfortunately, we have not always been able to fully take advantage of the value stored within the data that we maintain. Information is a valuable asset. By making that data appropriately available, it becomes information that

improves our problem analysis, decision-making, and forecasting. Providing timely, accurate information for accountability and decision-making would include providing easier access to public records and the incorporation of data from an application portfolio to make strategic decisions regarding application development, management and support.

Three objectives have been identified that will help move toward the goal of transparency and accountability:

- Provide portal to public records.
- Incorporate portfolio analysis into technology decision process.
- Make information an asset by ensuring the 'right' data (timely, accurate, secure) is available when needed.

In planning for the 2011 Budget and/or beyond, departments should consider those aspects.

Section 5: IT Executive-wide Expenditures

Historically, Executive IT expenditures were monitored at the agency level. Access to IT expenditure reports at an Executive-wide level were time-consuming and often contained inconsistencies, since the underlying organization and account structure for each agency was not uniform. As part of the 2010 budget process, organization and account structures for the IT functions of each agency were modified to accommodate the ability to create Executive-wide expenditure and budget monitoring reports. Starting in 2010, Executive-wide expense reports will be monitored and analyzed. Once an underlying base of actual expenditures is built, through the passage of time, this should provide the ability to analyze expenditure trends and forecast future expenditures based on these trends. This will support the effort in overseeing county-wide IT resources.

As part of the 2011 budget process, the "Equipment Replacement Plan" (ERP) will again be submitted by all departments. Over the last couple years, efforts have been made to make the ERP easier to create. Consistency of information has been the highest hurdle to clear from a review standpoint and in creating an Executive-wide report. ERP forms and instructions will be coming shortly which should give all departments plenty of lead time to complete the forms on a consistent basis before the OMB's deadlines. ERP will again be reviewed by the CIO Office and OMB.

Appendix A: 2011 Budget Advisory Estimated Savings

The table below provides a summary estimate of budget savings for 2011.

IT Budget Advisory Mandatory Estimated Savings

IT Budget Advisory Areas Of Opportunity	Savings Nature	Estimated Savings (Executive Branch)
Standardizing Desktops		
Six-Year Replacement Cycle	Average life of computers extended one year.	$ 417,000
Basic Workstation Device	Replace desktop with basic device unless user has high computing need.	$ 600,000
Servers		
Six-Year Replacement Cycle	Average life of servers extended one year.	$ 185,000
Consolidation & Virtualization	Planned consolidations and virtualizations 2010 - 2011.	$ 500,000
Total 2011 Savings		**$ 1,702,000**

Appendix B: Other Practical Budget and Cost Savings Ideas

Several of the ideas listed below were discussed in greater detail in last year's budget advisory. The following is a link to last year's budget advisory:

http://kcweb.metrokc.gov/oirm/governance/2010_IT_Budget_Advisory_Final_posted.pdf

- **Use Black & Whites Copies Instead of Color** – The cost of making color copies is 65% higher than black and white copies.

- **Enforce Power Management on Desktop Computers** – Installing and using power management software on a desktop reduces energy cost by $17.00 per year per desktop. In addition to the cost savings, greenhouse gases are reduced.

- **Standardize on IT Tools for Efficiency** – Centralized purchasing and training on a single tool – elimination of vendor maintenance cost for network tools currently used by individual departments.

- **Use Remote Management Tools to Increase Desktop Support** – Using remote access tools to patch and upgrade software decreases support effort.

- **Use Video or Voice Conferencing to Reduce Travel and Training Costs** – Travel cost and lost productivity time can be avoided by using alternative methods of meeting or conducting training.

- **Align After-hour Service Levels with Business Needs** – After-hour support costs approximately $94.00 per hour. The business need or risk and technical need should justify the service level.

- **Refurbished PCDs -** The purchasing of refurbished equipment saves up to 80% on the price of new similarly equipped new desktops. It can also allow access to spare parts that would be expensive to buy on a piecemeal basis. KCIT Central will make the contract to purchase the refurbished equipment available by the 3rd quarter of 2010, allowing a full year of benefit for 2011.

- **Payment of Washington Sales Tax** – The purchasing of consulting services, digital products and digital services should be closely reviewed to determine if Washington sales taxes is required. Certain exemptions exist in Washington State Code which may apply. Under certain circumstances, letters of ruling from the Washington State Department of Revenue may be needed to obtain clarity. This can be arranged through Gayle Sreibers in the Finance Business and Operations Division. An example of a recent ruling letter indicated that consulting services for software modifications/customizations, system integration, users training, technical training and data conversion was not subject to retail sales tax.

- **Critical Applications –** Validate that each business application identified as critical for the agency to support its responsibilities in the County Emergency Management Plan at the time of a disaster is required.

- **Data Backup –** Data backup volume and procedures vary throughout King County. Consider if the volume of backup and the procedures warrant the cost versus the business need.

- **Use Windows 7 –** Don't purchase XP for new computers. New desktops come standard with Windows 7 and purchasing XP for these desktops cost an additional $300.

- **Office 2007 -** As the County moves forward with SharePoint services and upgrades its e-mail system in 2010, agencies should consider moving to Office 2007 in order to take advantage of the enhanced features available with these new services. Some of the benefits of Office 2007 include easier navigation, common user interface, and enhanced functionality. Those agencies on the Microsoft Enterprise License Agreement are already licensed for Office 2007.

Appendix C: 2010 Budget Advisory Savings

2010 IT Budget Advisory Highlights and Estimated Savings				
IT Budget Advisory Areas	Savings Nature	Estimated Savings from Budget Advisory 4/09	Estimated Budget Submittal Savings 9/09	Original Budget Advisory Assumptions
Known Savings Items				
Avoid Purchasing New Pcs:				
No New Pcs Purchased	Amounts are based on known replacement plans.	$ 1,100,000	$1,137,350	Deferring replacement reduces cycle costs. Assumes 50% of computers are not replaced.
Alternate Workstation	Amounts are based on reviews performed in 2008.	$ 240,000	$ 263,069	Provides a lower cost alternative to Pcs. Assumes 30% of Pcs are replaced with alternate workstations.
Use Power Management on Desktops Computers	Amounts are based on 2008 and 2009 actual results.	$ 168,000	$ 148,748	Based on achieving established policy of 39.6%
Reduce Overall Technology Costs				
No New Servers Purchased	Amounts are based on known replacement plans.	$ 180,000	$ 94,600	Deferring replacement reduces cycle costs. Assumes 15% of servers (19) are not replaced in 2010.
Virtualized and Consolidated Servers	Amounts are based on consultant's study completed in late 2008.	$ 111,137	$ 357,437	Assumes that 83 servers will be virtualized in 2010.
Reduce Cell Phone and Wireless Device Costs	Amounts are based on 2009 actual results.	$ 344,996	$ 376,180	Reduces cell phone plan costs.
Savings Items To Be Completed In 2009				
Use Only Shared Printers	Amounts are based on estimates of work that will be completed in 2009.	$ 50,000	$ -	Reduces existing supplies, maintenance, and support costs for printers, copiers, and faxes.
Reduce Cost of IT Purchases	Amounts are based on industry standards and estimates of work that will be completed in 2009.	$ 500,000	$ 595,820	Use master contracts and extend contracts to 5 years
Total 2010 Savings		**$ 2,694,133**	**$ 2,973,204**	